

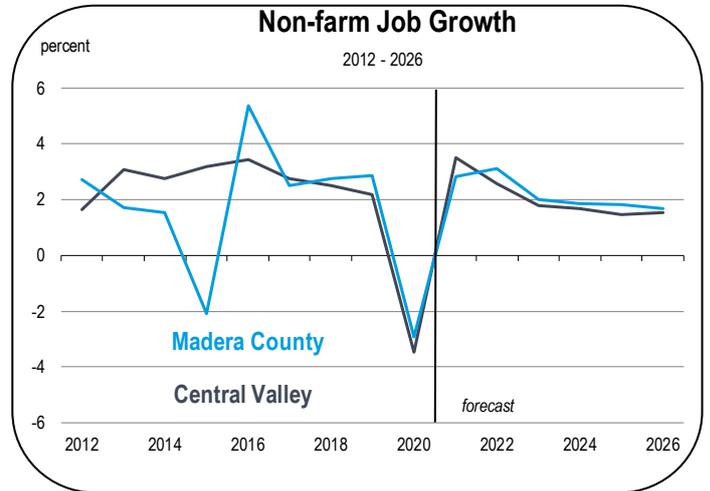
# Madera County Economic Forecast

## Forecast Summary

- Like many inland counties, the Madera County labor markets were not as severely impacted by the pandemic as larger and coastal counties of California were.
- Through mid-2021, the following sectors had fully recovered:
  - Construction
  - Wholesale Trade
  - Information
  - Transportation and warehousing
  - State and Federal Government
- Leisure and hospitality will recover this year along with the retail sector, healthcare, and financial activities.
- 2020 did have its bright spots. During the summer, for example, Bass Lake saw record highs for visitors as people from the Central Valley sought a place to go that kept them socially distanced while escaping the confinements of their homes. This had a positive effect on restaurants, boat rentals and other businesses in the area before the fire hit.
- The Creek Fire was a large wildfire which started on September 4, 2020 near Shaver Lake, California. The fire burned 379,895 acres and was declared 100% contained on December 24, 2020. The fire burned mostly in the Sierra National Forest.

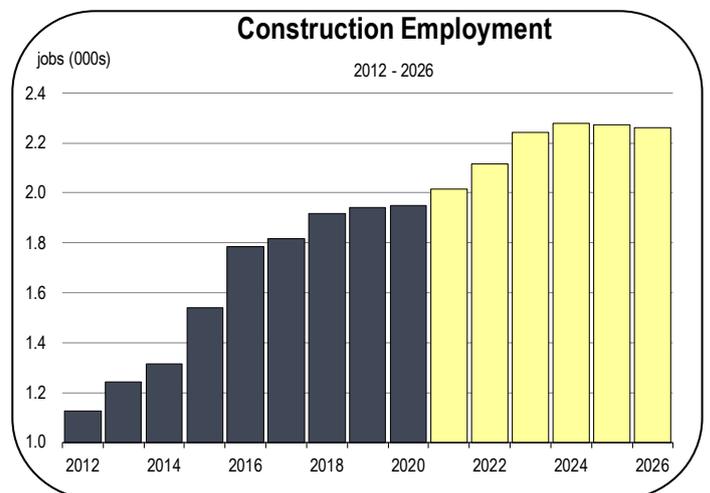
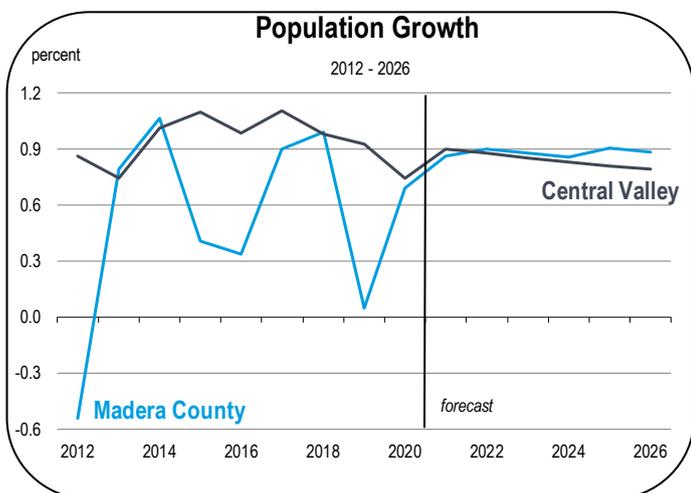
## Job Growth

- Total employment in Madera County will rebound by 2.8 percent in 2021 on an annual average basis.
- Between 2022 and 2026, job growth will average 1.7 percent.

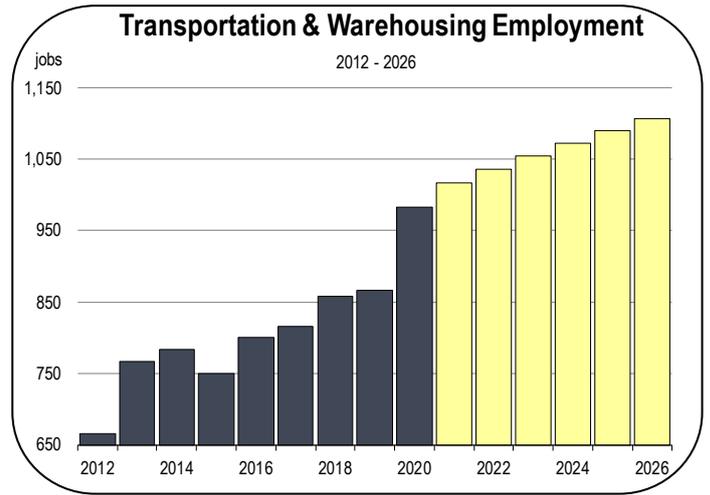
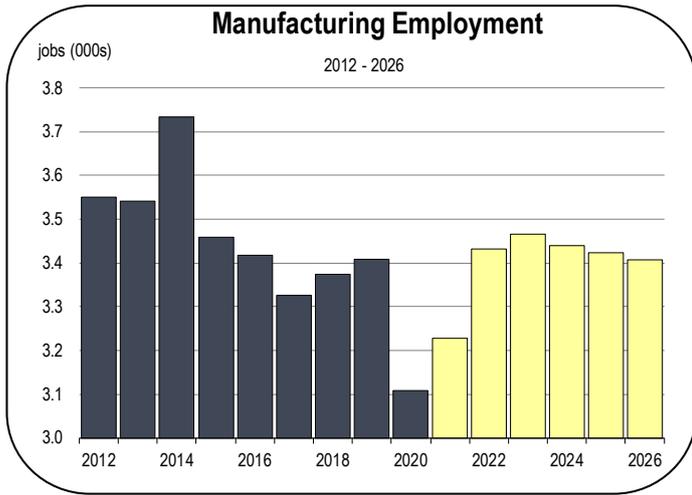


## Construction Employment

- For the construction sector, 2020 also proved to be a good year, and the trend is expected to continue through 2021 and 2022.
- In the City of Madera, a new Veteran’s and Family Housing project will commence downtown, along with a new fire station and housing construction.
- Along Highway 41 heading towards eastern Madera County, construction continues at a rapid pace for the Tesoro Viejo and Riverstone communities.
- Meanwhile, Rancho Calera, another master planned community of 2,042 homes is underway in the City of Chowchilla.



# Madera County Economic Forecast



## Manufacturing Employment

- Madera County has a heavy concentration in food and beverage manufacturing firms, which turn agricultural commodities into finished food products.
- Manufacturing is expected to bounce back to pre-pandemic levels by next year.
- Large employers include Warnock Food Product, Lion Raisins, EVAPCO, and Baltimore Aircoil Company.
- Employment growth in this sector will be limited because technology is largely substituting for human labor resources.

## Transportation and Warehousing Employment

- Most transportation jobs in Madera County are in trucking, where firms deliver goods to and from businesses within the county and across California.
- Trucking companies hired more than 100 new workers in 2020 in response to a surge in online shopping and a higher volume of spending on physical goods rather than services (which were heavily restricted by social distancing regulations).

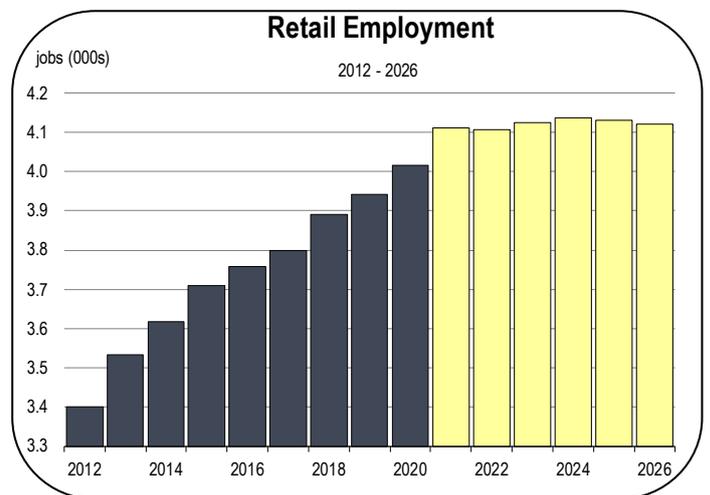
## Retail Trade Employment

- Madera County was among the few regions to increase retail jobs in 2020.

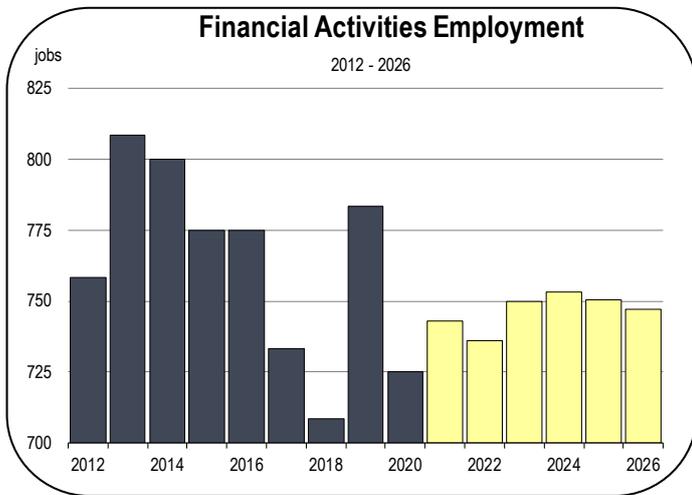
- Gains were largest at grocery stores as people bought fewer restaurant meals and spent more time cooking at home.
- Though employment in retail trade is not expected to fade away over the forecast it is also not expected to increase much as consumers further adapt to online purchases of goods.

## Financial Activities Employment

- The Madera County financial activities industry is mostly comprised of real estate companies and banks.



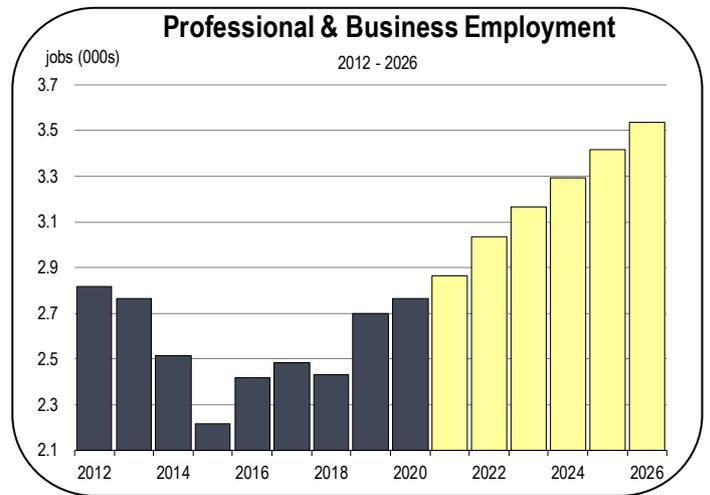
# Madera County Economic Forecast



- The industry maintains existing workforce levels over the forecast. No meaningful growth was observed in any of the subsectors in this industry between 2012 and 2020 which represented an expansive economy with a growing population in the County.

## Professional and Business Services Employment

- The professional and business services industry has a diverse array of subsectors, and each was affected differently during 2020.
- The largest losses were staffing agencies, which typically employ temp workers. Temp workers are usually the first to be laid off during a recession and the first hired back during the recovery.
- The professional and business services sector is destined to create a major share of future jobs in Madera County over the next several years.
- Professional services represent many of the technology services companies that provide design and consulting services to high tech product manufacturers both domestically and internationally.

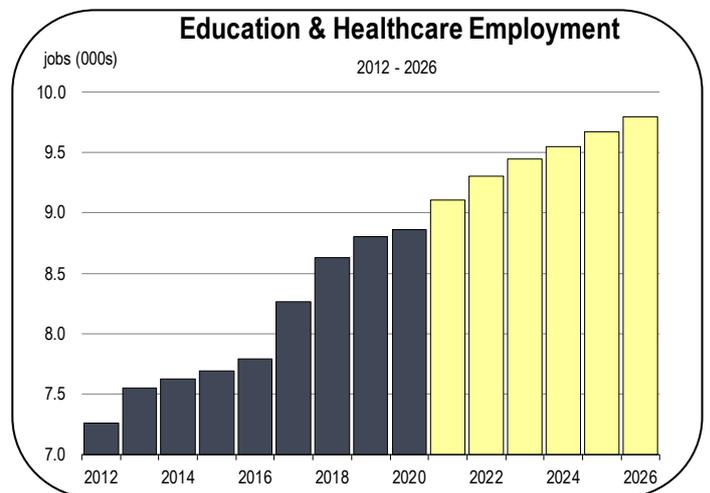
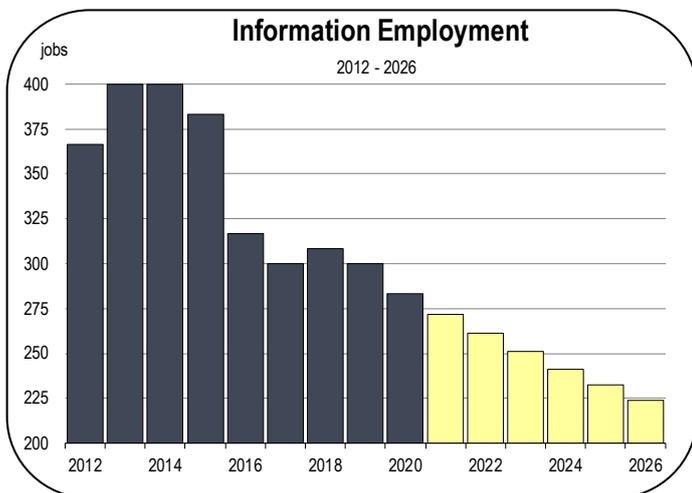


## Information Employment

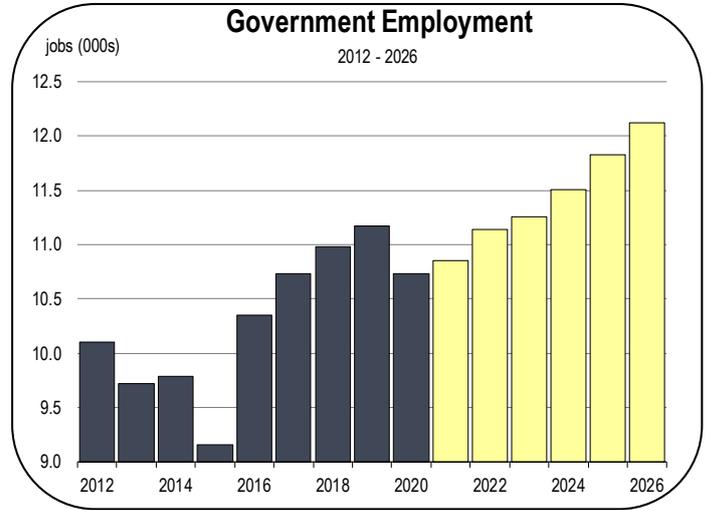
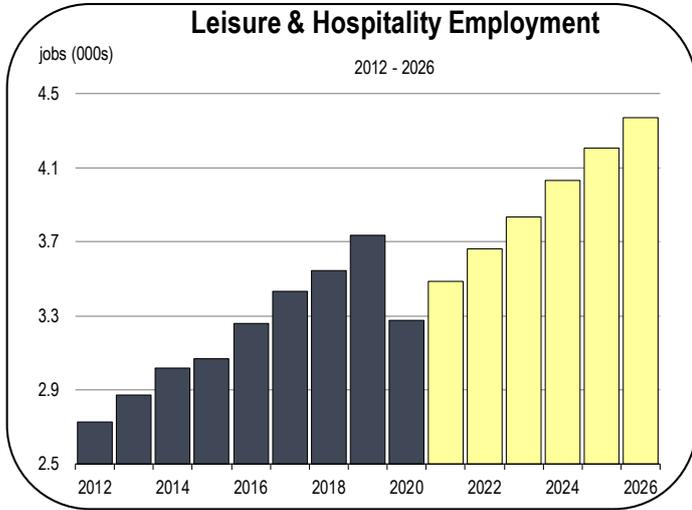
- In Madera County, the information sector is almost entirely comprised of telecommunications companies.
- The largest firm is Sierra Tel, which is headquartered in Oakhurst and accounts for approximately half of all Information jobs in the county.
- The entire telecommunications sector has been replacing jobs with technology, which should lead to consolidation of jobs over the forecast period.

## Private Education and Healthcare Employment

- The healthcare sector of the Madera labor market did not experience a net reduction of employment in 2020.
- The fallout in April of 2020 was offset by rehiring workers back in the summer months with additional net employment gains during the 2nd half of 2020.



# Madera County Economic Forecast



## Leisure and Hospitality Employment

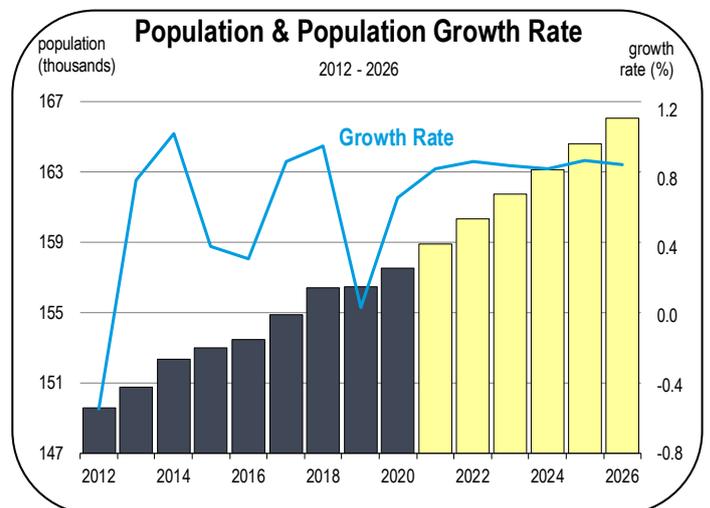
- Leisure and hospitality firms were impacted by restricted business conditions more than any other type of company, but compared to greater California, Madera County employment declined less.
- On an annual average basis, 200 jobs were lost at restaurants and bars, a decline of 9 percent.
- Almost 100 jobs were lost at hotels and motels (15 percent) and several dozen jobs were lost at gyms, fitness centers, and recreation centers.
- Leisure and hospitality employment could rebound sharply in the second half of 2021 due to a surge in dining, drinking, and recreation throughout Madera County.
- Jobs are recovered this year and next, but complete recovery is not forecast until 2023.

## Government Employment

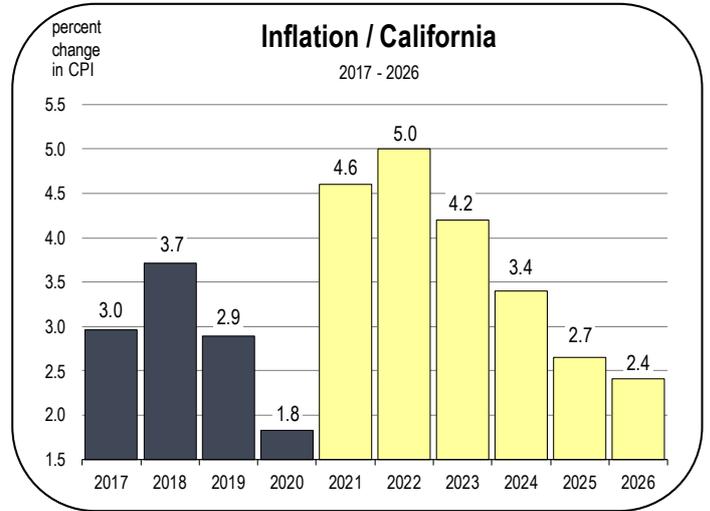
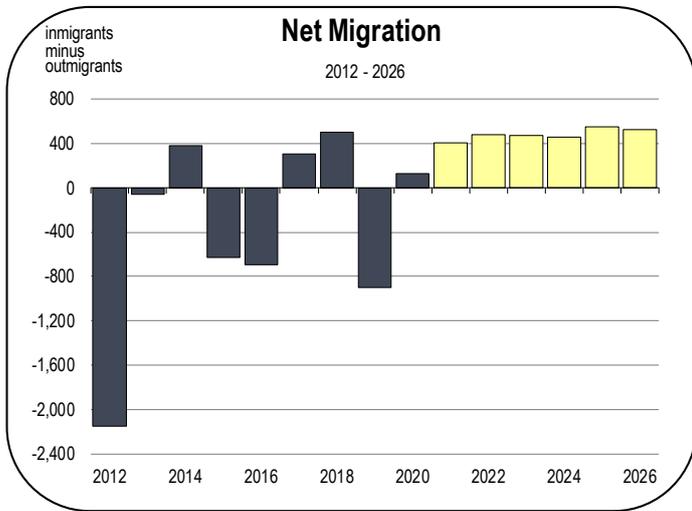
- State and local government agencies lost 500 jobs during 2020.
- Federal government agencies added a small number of jobs in 2020, but this was mainly due the Decennial Census, which creates temporary government jobs every 10 years.
- Some state and local government positions will be restored in fiscal 2022 (beginning in July 2021) with the commencement of in-person schools in the Fall of 2021 and with federal grants to cities and counties from the American Rescue Plan that will help to offset fiscal 2021 deficits.

## Population Growth

- The Madera County population is expected to expand more quickly than the California average between 2021 and 2026.
- Net migration is expected to be a meaningful contributor to population growth as residents relocate from Coastal California or move to Madera from elsewhere for more the affordable housing.
- An average of 450 to 500 net migrants are expected to move into Madera County each year between 2021 and 2026.
- Madera County has a young population with a high birth rate, and births will also contribute substantially to population growth.
- The population will expand at an annual average rate of 0.9 percent per year from 2021 to 2026. By 2025 the Madera County population will surpass 165,000 residents.



# Madera County Economic Forecast



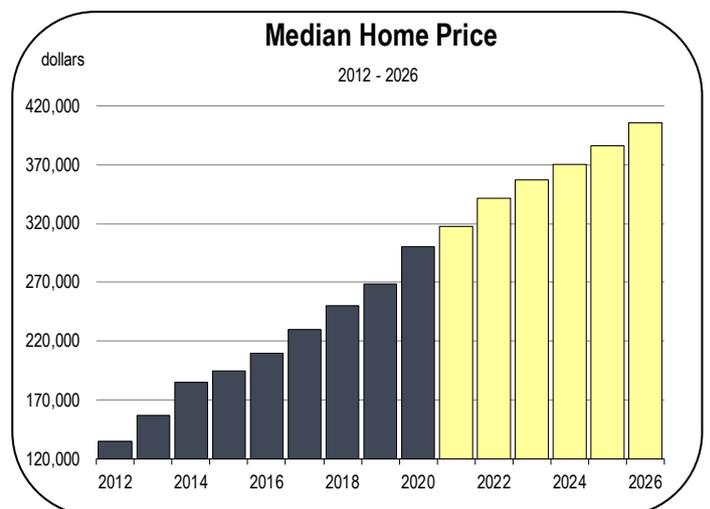
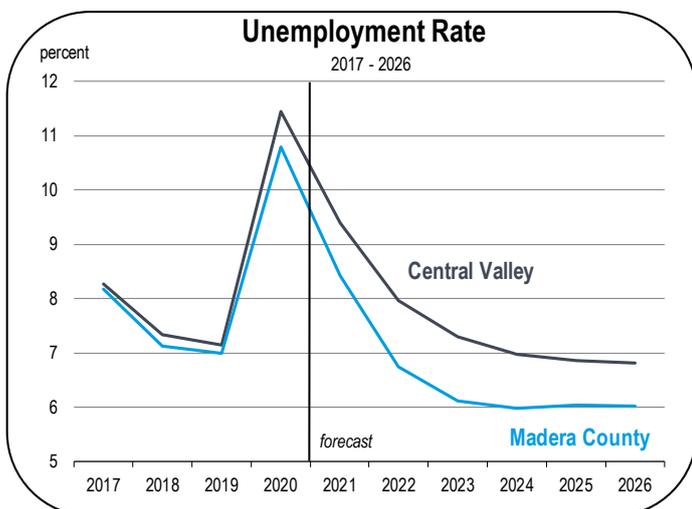
## Unemployment and Inflation Rates

- The unemployment rate averaged 10.8 percent in 2020. An unemployment rate below 7.0 percent signifies a fully employed workforce in Madera County.
- The unemployment rate is expected to average 8.4 percent in 2021 and 6.7 percent in 2022.
- Inflation decelerated sharply in 2020, largely because energy prices declined when the demand for fuels plunged.
- Inflation soared in 2021 and is expected to remain elevated for several years.
- Over the forecast period, there will be a number of factors that will contribute to high inflation. The most prominent will be:
  - Record levels of spending by consumers and government agencies

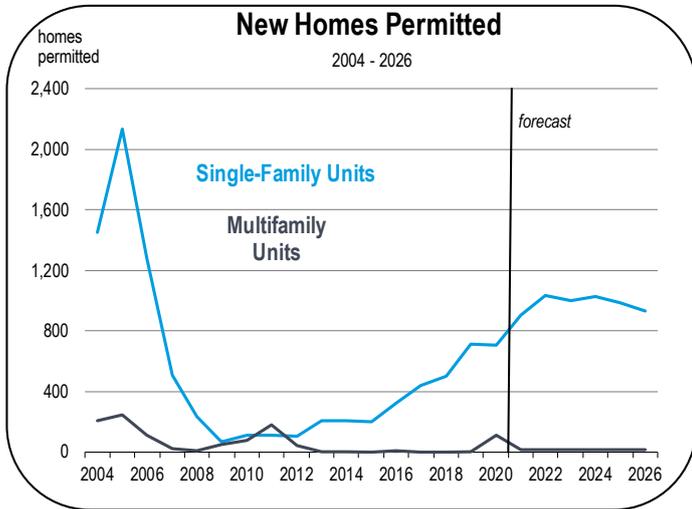
- Fractures in the global supply chain that raise the cost of production for many businesses
- Sharp increases in the cost of housing and energy
- Labor market recruitment challenges that force companies to raise wages
- Combined, these factors will push inflation to its highest rates in 30 years. Ultimately, it will reduce the purchasing power of households and negatively impact consumer confidence, limiting the growth potential of the economy in 2022.
- However, inflation will begin to decelerate as supply chains and the labor force are restored by the second half of the forecast period, eventually falling below 3 percent.

## Home Prices and New Housing Production

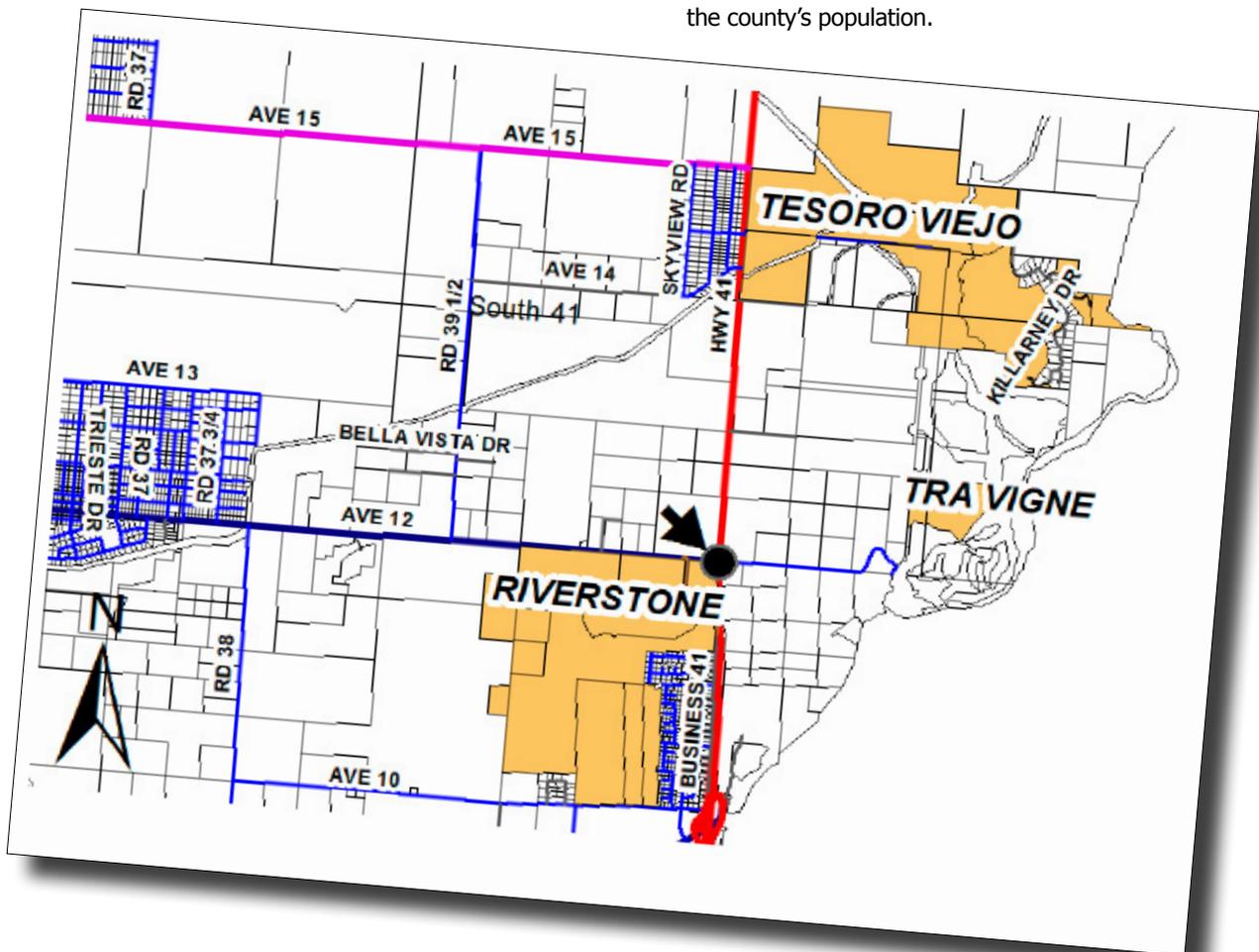
- In 2020 the median home price in Madera County was \$299,900, an increase of 12 percent from the previous year.



# Madera County Economic Forecast



- Homes in Madera County are more affordable than homes across California, especially Coastal California.
- In Madera County, the typical household spends less than 25 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California the typical household spends more than 35 percent of income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of income.
- From 2015 to 2020, an average of 500 new homes were started per year in Madera County. Virtually all were single-family homes.
- Housing production is expected to average 1,000 homes per year from 2021 to 2026.
- The largest project in Madera County is Rio Mesa, a massive development near Highway 41 and the Fresno County border.
- The project contains 33,000 homes (18,000 have been approved). It could accommodate up to 120,000 residents, virtually doubling the county's population.



Rio Mesa Neighborhoods

# Madera County Economic Forecast



- Several neighborhoods in the project area are under construction, including Tesoro Viejo and Riverstone, but complete buildout is not expected for approximately 30 years.
- In addition to 33,000 homes, Rio Mesa will produce new schools, parks, and millions of square feet of commercial space.
- The inaugural village at Tesoro Viejo is Hillside Village, an 800 home development including parks and schools.
- The entire master planned community has 9 residential villages totaling 5,200 homes and 3 million SF of office, retail, commercial, and light industrial space.
- Today, new homes in the Hickory and Ivy neighborhoods are for sale in the \$400,000s.
- New homes in the Oaks neighborhood sell in the \$500,000 to \$600,000 range.
- In the City of Madera, another 11,000 units are currently in the entitlement pipeline.
- Riverstone is a master planned community of 8 districts comprising 6,578 homes and 2.6 million square feet of commercial office and retail space.
- The project started in January 2017.
- The first district is Lodge, which will contain 860 single family units at build-out.
- Two additional housing districts have already been planned and the Town Center District is also selling homes.
- Riverstone is expected to become a new city the size of nearby Clovis.

# Madera County Economic Forecast

## Economic Indicators

## 2015-2020 History, 2021-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (billions)	Inflation Rate (percent)
2015	152,972	44.4	-630	203	137	\$5.5	\$1.0	\$1.5	\$794	\$40,943	10.6	\$2.3	1.4
2016	153,486	44.9	-691	329	141	\$5.7	\$1.0	\$1.5	\$882	\$41,772	9.3	\$2.0	2.3
2017	154,864	45.1	306	438	142	\$5.9	\$1.1	\$1.6	\$939	\$41,397	8.2	\$2.1	3.0
2018	156,397	45.7	497	498	145	\$6.1	\$1.1	\$1.7	\$821	\$41,078	7.1	\$2.2	3.7
2019	156,472	45.8	-895	718	150	\$6.5	\$1.2	\$1.8	\$856	\$42,243	7.0	\$2.0	2.9
2020	157,549	46.1	131	814	153	\$6.9	\$1.4	\$2.0	\$890	\$44,011	10.8	\$2.1	1.8
2021	158,904	47.0	405	920	154	\$7.0	\$1.2	\$1.9	\$892	\$43,333	8.4	\$2.1	4.6
2022	160,332	47.9	478	1,047	156	\$7.3	\$1.3	\$1.9	\$932	\$43,698	6.7	\$2.1	5.0
2023	161,741	49.0	471	1,015	157	\$7.7	\$1.3	\$2.0	\$955	\$44,595	6.1	\$2.1	4.2
2024	163,128	50.0	456	1,044	159	\$8.1	\$1.4	\$2.0	\$962	\$45,309	6.0	\$2.1	3.4
2025	164,605	51.1	549	1,001	161	\$8.5	\$1.4	\$2.1	\$969	\$45,889	6.0	\$2.2	2.7
2026	166,056	52.1	524	942	163	\$8.8	\$1.4	\$2.1	\$972	\$46,260	6.0	\$2.2	2.4
2027	167,569	53.1	588	852	164	\$9.2	\$1.4	\$2.1	\$974	\$46,582	6.0	\$2.2	2.2
2028	169,062	53.9	570	775	166	\$9.5	\$1.4	\$2.2	\$979	\$46,884	6.0	\$2.2	2.3
2029	170,647	54.7	643	726	168	\$9.8	\$1.5	\$2.2	\$981	\$46,940	6.0	\$2.2	2.2
2030	172,255	55.5	641	691	170	\$10.2	\$1.5	\$2.3	\$984	\$47,062	6.0	\$2.2	2.2
2031	173,686	56.1	500	664	172	\$10.5	\$1.6	\$2.3	\$990	\$47,196	6.0	\$2.2	2.3
2032	175,077	56.8	482	626	174	\$10.8	\$1.6	\$2.4	\$993	\$47,191	6.0	\$2.3	2.2
2033	176,435	57.5	460	608	176	\$11.2	\$1.6	\$2.4	\$1,003	\$47,476	6.1	\$2.3	2.0
2034	177,761	58.1	447	574	178	\$11.5	\$1.7	\$2.5	\$1,012	\$47,681	6.1	\$2.3	2.1
2035	179,182	58.7	550	554	180	\$12.0	\$1.7	\$2.6	\$1,021	\$47,912	6.1	\$2.3	2.1
2036	180,570	59.2	539	540	182	\$12.4	\$1.8	\$2.7	\$1,025	\$47,921	6.1	\$2.3	2.2
2037	181,941	59.8	530	519	185	\$12.8	\$1.8	\$2.7	\$1,029	\$47,891	6.1	\$2.3	2.2
2038	183,181	60.3	416	508	187	\$13.2	\$1.9	\$2.8	\$1,035	\$47,993	6.1	\$2.3	2.2
2039	184,417	60.8	416	488	189	\$13.7	\$1.9	\$2.9	\$1,039	\$48,024	6.1	\$2.4	2.2
2040	185,624	61.3	408	478	191	\$14.1	\$2.0	\$3.0	\$1,043	\$48,071	6.1	\$2.4	2.1
2041	186,686	61.8	293	467	193	\$14.6	\$2.0	\$3.1	\$1,052	\$48,317	6.1	\$2.4	2.2
2042	187,722	62.2	286	447	196	\$15.1	\$2.1	\$3.1	\$1,061	\$48,602	6.1	\$2.4	2.1
2043	188,773	62.7	289	435	197	\$15.6	\$2.1	\$3.2	\$1,072	\$48,927	6.1	\$2.4	2.0
2044	189,926	63.1	387	426	199	\$16.1	\$2.2	\$3.3	\$1,083	\$49,292	6.1	\$2.4	2.2
2045	191,071	63.6	385	426	200	\$16.6	\$2.2	\$3.3	\$1,093	\$49,592	6.1	\$2.4	2.2
2046	192,115	64.0	275	418	201	\$17.1	\$2.3	\$3.4	\$1,101	\$49,809	6.1	\$2.5	2.2
2047	193,150	64.4	264	401	202	\$17.6	\$2.3	\$3.5	\$1,107	\$49,890	6.1	\$2.5	2.2
2048	194,082	64.8	157	391	204	\$18.1	\$2.4	\$3.6	\$1,111	\$49,948	6.1	\$2.5	2.3
2049	194,992	65.2	149	374	205	\$18.6	\$2.5	\$3.7	\$1,120	\$50,172	6.1	\$2.5	2.0
2050	195,887	65.6	145	364	207	\$19.2	\$2.5	\$3.8	\$1,128	\$50,340	6.1	\$2.5	2.1

## Employment Sectors

## 2015-2020 History, 2021-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	46.2	11.5	1.5	3.5	0.8	4.7	0.8	2.2	0.4	7.7	3.1	9.2
2016	48.9	12.2	1.8	3.4	0.8	4.7	0.8	2.4	0.3	7.8	3.3	10.4
2017	49.7	12.1	1.8	3.3	0.8	4.7	0.7	2.5	0.3	8.3	3.4	10.7
2018	50.8	12.3	1.9	3.4	0.9	4.9	0.7	2.4	0.3	8.6	3.5	11.0
2019	52.2	12.6	1.9	3.4	0.9	4.9	0.8	2.7	0.3	8.8	3.7	11.2
2020	50.5	11.9	2.0	3.1	1.0	4.9	0.7	2.8	0.3	8.9	3.3	10.7
2021	51.9	12.3	2.0	3.2	1.0	5.0	0.7	2.9	0.3	9.1	3.5	10.9
2022	53.1	12.3	2.1	3.4	1.0	5.0	0.7	3.0	0.3	9.3	3.7	11.1
2023	54.0	12.4	2.2	3.5	1.1	5.1	0.7	3.2	0.3	9.4	3.8	11.3
2024	54.8	12.4	2.3	3.4	1.1	5.1	0.8	3.3	0.2	9.5	4.0	11.5
2025	55.7	12.5	2.3	3.4	1.1	5.2	0.8	3.4	0.2	9.7	4.2	11.8
2026	56.4	12.5	2.3	3.4	1.1	5.2	0.7	3.5	0.2	9.8	4.4	12.1
2027	57.1	12.6	2.2	3.4	1.1	5.2	0.7	3.7	0.2	9.9	4.5	12.4
2028	57.8	12.6	2.2	3.4	1.1	5.2	0.7	3.8	0.2	10.0	4.7	12.6
2029	58.4	12.7	2.2	3.4	1.1	5.2	0.8	3.9	0.2	10.0	4.8	12.9
2030	59.0	12.7	2.2	3.4	1.2	5.3	0.8	4.0	0.2	10.1	4.9	13.1
2031	59.5	12.7	2.1	3.4	1.2	5.3	0.7	4.1	0.2	10.2	5.0	13.3
2032	60.0	12.8	2.1	3.4	1.2	5.3	0.7	4.2	0.2	10.2	5.1	13.4
2033	60.4	12.8	2.1	3.4	1.2	5.3	0.7	4.3	0.2	10.2	5.2	13.6
2034	60.8	12.9	2.0	3.4	1.2	5.4	0.7	4.4	0.2	10.3	5.2	13.7
2035	61.2	12.9	2.0	3.4	1.2	5.4	0.7	4.5	0.2	10.4	5.2	13.8
2036	61.6	13.0	2.0	3.4	1.2	5.4	0.7	4.6	0.2	10.5	5.3	14.0
2037	62.0	13.0	2.0	3.4	1.2	5.4	0.7	4.6	0.1	10.6	5.3	14.1
2038	62.3	13.1	2.0	3.4	1.2	5.5	0.7	4.7	0.1	10.6	5.3	14.1
2039	62.7	13.1	1.9	3.4	1.3	5.5	0.7	4.8	0.1	10.8	5.4	14.2
2040	63.1	13.2	1.9	3.4	1.3	5.5	0.7	4.9	0.1	10.9	5.4	14.3
2041	63.4	13.2	1.9	3.4	1.3	5.5	0.7	5.0	0.1	10.9	5.4	14.4
2042	63.7	13.3	1.9	3.4	1.3	5.5	0.7	5.0	0.1	11.0	5.5	14.4
2043	64.0	13.3	1.9	3.4	1.3	5.5	0.7	5.1	0.1	11.1	5.5	14.5
2044	64.3	13.4	1.9	3.4	1.3	5.5	0.7	5.2	0.1	11.2	5.5	14.5
2045	64.7	13.4	1.8	3.4	1.3	5.5	0.7	5.2	0.1	11.3	5.6	14.6
2046	65.0	13.5	1.8	3.4	1.3	5.6	0.7	5.3	0.1	11.4	5.6	14.6
2047	65.2	13.5	1.8	3.4	1.3	5.6	0.7	5.4	0.1	11.5	5.6	14.7
2048	65.5	13.6	1.8	3.4	1.3	5.6	0.7	5.4	0.1	11.6	5.7	14.7
2049	65.7	13.6	1.8	3.4	1.3	5.6	0.7	5.5	0.1	11.6	5.7	14.7
2050	65.9	13.7	1.8	3.4	1.3	5.6	0.7	5.6	0.1	11.7	5.7	14.8

# Madera County Economic Forecast

## Socioeconomic Indicators

